

MARKETING

## Brand culture starts at the top, says Luxury Institute

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*It is important to have a balanced brand culture. Image credit: Amazon.*

By BRIELLE JAEKEL

With social justice becoming a prominent talking point in today's society, brand culture needs balance and positivity or companies risk serious consequences.

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Consumers today are holding brands accountable for their actions, now that they have multiple platforms to share their voices. According to a [report from Luxury Institute and EIX](#), senior executives and brand leaders must adhere to the behavior culture set by the company or chance failing.

"Many executives often quote Peter Drucker in that 'Culture Eats Strategy for Breakfast,'" said Milton Pedraza, CEO of the [Luxury Institute and EIX](#). "This simply means that regardless of your grand business strategy, what is truly achieved is based on a core set of ethical, socially responsible beliefs and behaviors that your employees embrace, practice, measure and live daily."

### Brands' downfall

As dictated by Luxury Institute, the number one reason companies fail at establishing brand culture is that their superiors do not fall in line with their ethos.

This does not mean these execs are behaving badly, but that they are not following their own promoted culture. Leaders need to embody the brand culture they are promoting.

Fairmont Hotels & Resorts' The Plaza faced a lawsuit from current and former employees who said they were victims of sexual harassment and assault by fellow employees, including managers.

The plaintiffs, who seek monetary damages from Fairmont, its parent AccorHotels and the hotel's owner the Sahara Group, claim that female employees have been subjected to "rape culture," as they have been the targets of unwanted groping, kissing and sexual remarks. The suit alleges that management knew about the harassment and neglected to take actions to protect its staff from the verbal and physical abuse ([see more](#)).

Uber is also being harshly criticized on its workplace ethics, with many reports detailing employees are pitted against one another and top performers go unpunished for unethical actions.

## Foster balance

This type of behavior is unacceptable and consumers will now take action against a brand or company for this type of news. It is important to create an environment where it is rare for a situation such as this to occur and employees feel safe.

Companies must also not forget that their team members have lives outside of their business. Creating such a severe divide between personal lives and business lives can result in negative behaviors from employees that they would never exhibit in their personal lives.

Brands must work with employees to create good values in the work place.

Core skills that companies teach to their members are often drawn out and tedious. Making this list of core values needs to be simple, effective and interesting.

Luxury Institute has researched the best values to instill in a company's culture, and found that expertise, deep empathy, trustworthiness and generosity are key.

The report explains that certifications are the start to a balanced brand culture, with employees taking courses online to start out. Supervisors should include these values into team members' annual objectives but should leave it up to the employee to live up to these goals daily.

Per the consultancy, the idea that taking the time out of one's day to focus on these practices is a waste is a damaging mindset. Team leaders must see themselves as coaches, guiding employees in creating an effective brand environment and culture.

As brands become increasingly transparent in their business practices, employee benefit programs have been put into the limelight, with many groups publicizing initiatives intended for work-life balance.

Sustainability is as popular as ever, with luxury conglomerates such as Kering Group and LVMH emphasizing and sharing their ethical, environmentally friendly efforts to demonstrate their corporate social responsibility to consumers. Internally, employees are a brand's' most valuable and vocal advocates as they live and breathe the ethos of a given house, making quality of life while at work an important support factor, especially as many brands struggle to find and retain talent ([see more](#)).

"Today's leaders need to step up and demonstrate that they are masters of the brand culture and create the conditions for all associates to become masters of the brand culture, too," Luxury Institute's Mr. Pedraza said.